

## RECORD OF PROCEEDINGS

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### MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE LORETTO HEIGHTS METROPOLITAN DISTRICT NO. 1 HELD NOVEMBER 28, 2022

A Regular Meeting of the Board of Directors of the Loretto Heights Metropolitan District No. 1 (referred to hereafter as the "Board") was convened on Monday, November 28, 2022, at 2:00 p.m. The District Board meeting was held via Zoom. The meeting was open to the public.

#### ATTENDANCE

#### Directors In Attendance Were:

Mark J. Witkiewicz  
Otis C. Moore, III  
Paige C. Langley

Following discussion, upon motion duly made by Director Witkiewicz, seconded by Director Moore and, upon vote, unanimously carried, the absence of Director Andrew R. Klein and Director Megan Waldschmidt were excused.

#### Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc.

Megan Becher, Esq. and Jon Hoistad, Esq.; McGeady Becher P.C.

Lindsay Ross; CliftonLarsonAllen LLP

Ted Laudick; Silverbluff Companies, Inc.

#### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

**Disclosure of Potential Conflicts of Interest:** The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. It was noted that a quorum was present, and Attorney Hoistad requested members of the Board disclose any potential conflicts of interest regarding any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute.

Attorney Hoistad noted that Directors' Disclosure Statements were filed for all Directors by the statutory deadline. No additional conflicts were disclosed at the meeting.

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**ADMINISTRATIVE MATTERS** **Agenda:** Ms. Finn distributed for the Board's review and approval a proposed Agenda for the District's Regular Meeting.

Following discussion, upon motion duly made by Director Witkiewicz, seconded by Director Moore and, upon vote, unanimously carried, the Agenda was approved, as presented.

**District Website:** Ms. Finn discussed with the Board the status of the District website, noting it will be established by the end of the year.

**Meeting Location/Manner and Posting of Meeting Notice:** The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. The Board determined that the meeting would be held via video/telephonic means and encouraged public participation via video or telephone. The Board further noted that notice of the time, date and location/manner of the meeting was duly posted, and that the Board had not received any objections to the video/telephonic manner of the meeting, or any requests that the video/telephonic manner of the meeting be changed by taxing electors within the District's boundaries.

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**CONSENT AGENDA** The Board considered the following actions:

- Review and consider approval of the minutes of the October 24, 2022 Regular Meeting.
- Discuss business to be conducted in 2023 and location (**virtual and/or physical**) meetings. Schedule meeting dates and consider adoption of Resolution No. 2022-11-01 Establishing Regular Meeting Dates, Time and Location, Establishing District Website, and Designating Location for Posting of 24-Hour Notices (4<sup>th</sup> Monday of each month at 2:00 p.m. via Zoom.
- Discuss requirements of §32-1-809, C.R.S., and direct staff regarding compliance for 2023 (Transparency Notice).

Following review and discussion, upon motion duly made by Director Witkiewicz, seconded by Director Moore and, upon vote, unanimously carried, the Board approved the above Consent Agenda items/actions.

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**PUBLIC COMMENT** There were no public comments.

**FINANCIAL  
MATTERS**

**Claims:** Ms. Ross reviewed with the Board the payment of claims for the periods beginning October 15, 2022 through November 27, 2022, in the amount of \$523,199.23.

Following review, upon motion duly made by Director Witkiewicz, seconded by Director Moore and, upon vote, unanimously carried, the Board ratified approval of the payment of claims, as presented.

**Unaudited Financial Statements and Schedule of Cash Position:** Ms. Ross reviewed with the Board the unaudited financial statements for the period ending September 30, 2022.

Following discussion, upon motion duly made by Director Witkiewicz, seconded by Director Moore and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending September 30, 2022.

**2022 Audit Preparation:** Ms. Ross informed the Board that the District will need an audit for 2022. The Board considered the engagement of Wipfli, LLP to prepare the 2022 Audit.

Following discussion, upon motion duly made by Director Moore, seconded by Director Witkiewicz and, upon vote, unanimously carried, the Board approved the engagement of Wipfli, LLP to perform the District's 2022 Audit, for an amount not to exceed \$6,000.

**Public Hearing on Amendment to 2022 Budget:** The President opened the public hearing to consider a Resolution to Amend the 2022 Budget.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2022 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received, and the public hearing was closed.

Following review and discussion, it was noted that a 2022 Budget Amendment was not necessary.

**Public Hearing on 2023 Budget:** The President opened the Public Hearing to consider the proposed Budget and to discuss related issues.

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It was noted that publication of Notice stating that the Board would consider adoption of the 2023 Budget and the date, time and location of the Public Hearing was made in a newspaper having general circulation within the District. No written objections were received prior to the Public Hearing. No public comments were received, and the Public Hearing was closed.

Ms. Ross reviewed the estimated 2022 expenditures and the proposed 2023 expenditures.

Following discussion, the Board considered adoption of Resolution No. 2022-11-02 to Adopt the 2023 Budget and Appropriate Sums of Money, and Resolution No. 2022-11-03 to Set Mill Levies (for the General Fund at 15.000 mills, Debt Service Fund at 0.000 mills, for a total mill levy of 15.000 mills). Upon motion duly made by Director Moore, seconded by Director Langley and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of the final Certification of Assessed Valuation from the City and County of Denver on or before December 10, 2022. Ms. Finn was authorized to transmit the Certification of Mill Levies to the City and County of Denver not later than December 15, 2022. Ms. Finn was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2023. Copies of the adopted Resolutions are attached hereto and incorporated herein by this reference.

**DLG-70 Certification of Tax Levies Form:** The Board considered authorizing the District Accountant to prepare, and appointing a Board Member to sign, the DLG-70 Certification of Tax Levies form for certification to the City and County of Denver and other interested parties.

Following discussion, upon motion duly made by Director Moore, seconded by Director Langley and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare, and appointed Director Witkiewicz to sign, the DLG-70 Mill Levy Certification form for certification to the City and County of Denver and other interested parties. The Board directed the District Manager to file the Certification with the City and County of Denver and other interested parties.

**Preparation of 2024 Budget:** The Board considered the appointment of the District Accountant to prepare the 2024 Budget.

Following discussion, upon motion duly made by Director Moore, seconded by Director Langley and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2024 Budget.

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**First Amendment to the 2020-2021 Operation Funding Agreement by and between Loretto Heights Metropolitan District No. 1 and ACM Loretto VI LLC:** Attorney Hoistad reviewed with the Board the First Amendment to the 2020-2021 Operation Funding Agreement by and between Loretto Heights Metropolitan District No. 1 and ACM Loretto VI LLC.

Following discussion, upon motion duly made by Director Witkiewicz, seconded by Director Moore and, upon vote, unanimously carried, the Board approved the First Amendment to the 2020-2021 Operation Funding Agreement by and between Loretto Heights Metropolitan District No. 1 and ACM Loretto VI LLC, subject to final review by President Witkiewicz.

**Statement of Work between the District and CliftonLarsonAllen LLP for 2023:** The Board reviewed the Statement of Work between the District and CliftonLarsonAllen LLP for 2023.

Following discussion, upon motion duly made by Director Witkiewicz, seconded by Director Langley and, upon vote, unanimously carried, the Board approved the Statement of Work between the District and CliftonLarsonAllen LLP for 2023.

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### **CAPITAL/ CONSTRUCTION MATTERS**

**Engineer's Report and Verification of Costs Associated with Public Improvements Report:** The Board discussed the Engineer's Report and Verification of Costs Associated with Public Improvements Report No. 9 ("Report No. 9"), dated November 11, 2022, prepared by Schedio Group LLC, for the amount of \$49,454.84.

Following review and discussion, upon motion duly made by Director Moore, seconded by Director Langley, and upon vote, unanimously carried, the Board approved Report No. 9, dated November 11, 2022, prepared by Schedio Group LLC, for the amount of \$49,454.84.

**Verified Public Improvement Costs Pursuant to Report No. 9:** The Board discussed the verified public improvement costs pursuant to Report No. 9.

Following review and discussion, upon motion duly made by Director Moore, seconded by Director Langley, and upon vote, unanimously carried, the Board accepted the verified public improvement costs pursuant to Report No. 9.

**Reimbursement by Loretto Heights Metropolitan District No. 1 to Hartman Ely Investments LLC:** There was no reimbursement due to Hartman Ely Investments LLC pursuant to Report No. 9.

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**Reimbursement by Loretto Heights Metropolitan District No. 1 to ACM Loretto VI LLC:** The Board discussed the reimbursement by Loretto Heights Metropolitan District No. 1 to ACM Loretto VI LLC under the Facilities Funding and Acquisition Agreement between Loretto Heights Metropolitan District No. 1 and ACM Loretto VI LLC, pursuant to Report No. 9.

Following review and discussion, upon motion duly made by Director Moore, seconded by Director Langley, and upon vote, unanimously carried, the Board approved the reimbursement by Loretto Heights Metropolitan District No. 1 to ACM Loretto VI LLC under the Facilities Funding and Acquisition Agreement between Loretto Heights Metropolitan District No. 1 and ACM Loretto VI LLC, pursuant to Report No. 9.

**Loretto Heights Infrastructure Project (the “Project”):** Mr. Laudick noted that the roadwork is ongoing.

*Status of landscape design work:* There was no report at this time.

*Necessary actions required in connection with the Project:* No actions were discussed at this time.

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### **LEGAL MATTERS**

**May 2, 2023 Regular Directors’ Election:** The Board discussed the May 2, 2023 Regular Directors’ election regarding new legislative requirements and related expenses for the same.

Following review and discussion, upon motion duly made by Director Witkiewicz, seconded by Director Moore and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-11-04 Calling a Regular Election for Directors on May 2, 2023, appointing Ann Finn as the Designated Election Official, and authorizing her to perform all tasks required for the conduct of a mail ballot election.

**Temporary License Agreement by and between Loretto Heights Metropolitan District No. 1 and THB Loretto Land LLC:** Attorney Hoistad reviewed with the Board the Temporary License Agreement by and between Loretto Heights Metropolitan District No. 1 and THB Loretto Land LLC for signage placement.

Following review and discussion, upon motion duly made by Director Witkiewicz, seconded by Director Langley, and upon vote, unanimously carried, the Board approved the Temporary License Agreement by and between Loretto Heights Metropolitan District No. 1 and THB Loretto Land LLC for signage placement.

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**Temporary License Agreement by and between Loretto Heights Metropolitan District No. 1 and Pancratia Hall Partners LLC:** Attorney Hoistad reviewed with the Board the Temporary License Agreement by and between Loretto Heights Metropolitan District No. 1 and Pancratia Hall Partners LLC for signage placement.

Following review and discussion, upon motion duly made by Director Witkiewicz, seconded by Director Langley, and upon vote, unanimously carried, the Board approved the Temporary License Agreement by and between Loretto Heights Metropolitan District No. 1 and Pancratia Hall Partners LLC for signage placement.

**OTHER BUSINESS** There were no other matters to discuss at this time.

**ADJOURNMENT** There being no further business to come before the Board at this time, upon motion duly made by Director Moore, seconded by Director Langley and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: *Ann Finn*  
Secretary for the Meeting